



State of Washington

AFFORDABLE HOUSING ADVISORY BOARD

1011 Plum Street SE - PO Box 42525 - Olympia, Washington 98504-2525 - (360) 725-4000

Faith Pettis
Board Chair

Tiffany Speir
Residential Construction Industry

Vacant
Residential Construction Industry

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Michael O'Rourke
Mortgage Lending Industry

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Kevin Grossman
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Tory Laughlin Taylor
Non-Profit Housing Development

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Shaw Seaman
Special Needs Populations

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Low Income Housing

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Chris Pegg
Public Housing Authorities

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Counties, Eastern WA

Andree Harland
Counties, Western WA

Teresa Overhauser
Cities, Eastern WA

Lauren Walker
Cities, Western WA

David Stillman
Ex-Officio, Dept. of Social & Health Services

Kim Herman
Ex-Officio, Housing Finance Commission

Dan McConnon
Ex-Officio, Dept. of Commerce

BOARD MEETING SUMMARY

Tuesday, July 29, 2014

10:00am to 1:00pm

Pacific Tower – Seattle, WA

ATTENDANCE

Faith Pettis, Kim Herman, Dan McConnon, Obie O'Brien, Tory Laughlin Taylor, Lauren Walker, Andree Harland, Dixon McReynolds III, Michael O'Rourke, Wanda Coats, Connie Devaney, Joel Ing, Chris Pegg, Tiffany Speir, and Kevin Grossman.

COMMERCE STAFF

Janet Masella, Cary Retlin, Kendee Yamaguchi, Jeff Wilson, and Cherish Rahikainen.

GUESTS

Sean Flynn, Staff Counsel, Washington State House of Representatives Office of Program Research

Jeanette McKague, Washington Realtors

Margret Graham, Washington State Housing Finance Commission

Ben Miksch, Washington Low Income Housing Alliance

Paul Purcell, Beacon Development Group

Tony To, HomeSight

Sarah Rick Lewontin, Bellwether Housing

Marty Kooistra, Housing Development Consortium

Mark Smith, Housing Consortium of Everett & Snohomish County

INTRODUCTIONS AND CONFIRMATION OF AGENDA

Faith Pettis

Faith summarized the agenda.

APPROVAL OF MINUTES

The March 2014 meeting summary was approved.

REPORT FROM THE CHAIR

Faith thanked Board members for attending and introduced our newest members: Joel Ing, representing the For-Profit Housing Development; Tory Laughlin Taylor, representing Non-Profit Housing; Dixon McReynolds representing Homeless Operations and Tiffany Speir, representing the Residential Construction Industry.

GROWTH MANAGEMENT

Recognition of the PSRC Growing Transit Communities Partnership

On May 29, 2014 Governor Inslee delivered his 2014 Smart Communities Award to The Puget Sound Regional Council for [The Growing Transit Communities Strategy](#).

The Department of Commerce and the Affordable Housing Advisory Board honored the housing organizations that joined the Growing Transit Communities Partnership in developing this winning regional strategy. This project involved a unique consortium that deserves special acknowledgment.

The following housing organizations received a certificate signed by Governor Inslee recognizing their work in attracting growth to the central Puget Sound region, maintaining and preserving housing affordability, and ensuring social equity in growth outcomes as the region changes:

- A Regional Coalition for Housing
- Bellwether Housing
- Capitol Hill Housing
- HomeSight
- Housing Authority of Snohomish County
- Housing Development Consortium of Everett and Snohomish County
- Housing Development Consortium of Seattle-King County
- Puget Sound SAGE
- Seattle Housing Authority
- Tacoma Housing Authority
- Tacoma-Pierce County Affordable Housing Consortium
- Washington Low Income Housing Alliance
- Washington State Housing Finance Commission

Certificates will be mailed to the housing organizations that were unable to attend the meeting.

Growth Management Update

Jeff Wilson and Kendee Yamaguchi discussed the [NSP and GMA Housing Guidebook](#). This guidebook updates housing planning practices following the recession and provides resources for drafting the housing element of comprehensive plans.

It is time to conduct an assessment of the last 25 years of the Growth Management Act, and re-evaluate what is working well and what could use improvements and better implementation as it relates to affordable housing in Washington State. The diverse membership of the Board could help our state move forward with policy changes regarding Growth Management Act regulatory impact.

Faith has asked for volunteers to take a look at the [Growth Management / Housing Task Force report](#) published in 2006 and come to the September Board meeting to discuss a revised list of the original eleven recommendations.

Task Force volunteers: Wanda Coasts, Lauren Walker, Obie O'Brien, Chris Pegg and Tiffany Speir. We may also invite members of the Policy Advisory Team to join. If you are interested in being added to the group, please connect with Faith.

Commerce is committed to considering Board recommendations and will dedicate appropriate staff time to try to push agreed upon policy issues forward. We must first reach consensus in September.

OUTGOING MEMBER RECOGNITION

Paul Purcell and Tony To were recognized and presented with a plaque for their leadership, support and dedication to the advancement of affordable housing in Washington State. Tony and Paul each served on the Affordable Housing Advisory Board for over nine years and contributed a tremendous amount of knowledge and expertise.

ACKNOWLEDGEMENT OF JIM POTTER'S PASSING

Faith and Board members acknowledged the loss of Jim Potter, who passed away unexpectedly in May. Jim was an active and passionate Board member who contributed a new and insightful perspective. On behalf of the Board, Faith sent our condolences to Jim's wife and family.

COMMERCE UPDATE

Pacific Tower

Dan McConnon shared updates on the Pacific Tower project:

- Renovations of the Pacific Tower are currently underway. Commerce received \$23 million for capital improvements and is actively seeking additional fundraising.
- FareStart will move into the Tower in September. They will occupy the kitchen, offering a job training program including barista training and will cater meetings and events in the building.
- Several other non-profits will occupy the remaining floors, all of which are organizations focusing on education and/or healthcare. Several legislators and staff have already moved into the 6th floor.
- The main conference room will be available for rent in the evenings.

Budget and Decision Packages

Commerce and other state agencies have been asked by the Governor and the Office of Financial Management (OFM) to submit reduction decision packages that equal 15 percent of our General Fund State carry-forward (maintenance) funding level. Final decision packages are due to OFM by September 19.

We're looking at a significant shortfall in the upcoming biennium. While the economy is gaining strength, any increase in current revenue does not appear to be enough to sustain the state's pension costs, debt service, employee health care, teacher cost of living initiative or caseloads for low-income health care, education and behavioral health issues. In addition, the state is required to fund a significant increase in education costs required by the State Supreme Court's McCleary decision.

The Housing and Essential Needs Program is heavily funded by general fund state. Other programs, such as Growth Management, are already struggling to maintain capacity due to staff cuts in recent years.

The largest decision package Commerce is putting forward is focused on homeless programs and the Governor's emphasis on housing the 27,000 homeless school children that were reported in 2013 by the Office of Superintendent of Public Instruction. This sizeable package will expand Washington's network of homeless providers to address this issue.

We expect a Capital budget, but the level is still unknown. Commerce is putting forward a Housing Trust Fund and low income weatherization proposal. Due to the lack of a capital budget last year, Commerce anticipates that the pent up demand will be reflected in the Needs Study.

AFFORDABLE HOUSING NEEDS STUDY DRAFT REVIEW

Faith shared a revised table of contents and draft version of Chapters 3 and 4 of the Affordable Housing Needs Study. The report is not ready to distribute in its entirety. The subcommittee is working with Mullen & Lonergan Associates, Inc. on the preliminary report to ensure it reaches the level of detail we're looking for. They are providing weekly updates to ensure we're headed in the right direction. The consultants are also working to provide one-page county profiles, which will provide a deeper analysis to help drive local policy decisions and make the case for supply and demand on a county level.

Staff members from the Department of Commerce and the Washington State Housing Finance Commission are working on a draft Needs Study communications plan to rollout. A preliminary outline including communication goals, themes, strategies, audiences was shared and discussed. Talking points and tools for Board members are under development.

Timeline:

- July 29: Board meeting: Buy-in for rollout plan; assign tasks
- August 8: Next draft of Needs Study due from consultant
- September 11: Board Meeting: Report on rollout preparations
- October 8: Housing Washington Conference launch
- November 18: Washington State Association of Counties Conference in Spokane
- December 4-5: Legislative Assembly Days

SUBCOMMITTEE AND OTHER REPORTS

Policy Advisory Team (PAT) (Chris Pegg and Janet Masella)

Chris Pegg has been appointed as the new Chair of the Policy Advisory Team. Since no new Housing Trust Fund projects were funded this year, their discussion on June 18th focused on the Cost-Effectiveness Study and their recommendation to allow Commerce as much flexibility as possible when allocating Housing Trust Fund dollars.

The Policy Advisory Team is currently recruiting for six new members. If you, or someone you know, are interested please read the [PAT Membership, Responsibilities and Expectations](#) and fill out an [application](#).

CLOSING REMARKS

The next Board meeting scheduled for September 11th will focus on the Growth Management subcommittee's recommendations and the Affordable Housing Needs Study.

MEETING ADJOURNED 12:50pm

Next Meeting: **Thursday, September 11, 2014**
 10:00am to 2:00pm
 Red Lion Hotel in SeaTac, WA